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C O N T E N T S

(Information as of noon EST, 26 December 1968)

Far East

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X THE WEEK IN PERSPECTIVE 1

OK VIETNAM 3

The North Vietnamese in Paris seem to be marking time pending the outcome of consultations on the allied side. The usual rash of minor enemy violations occurred during the allied Christmas Day truce.

X NORTH VIETNAMESE OFFENSIVE IN LAOS IS SET BACK 7

The North Vietnamese offensive in the Bolovens Plateau area appears to have stalled, but there are signs that the enemy may renew fighting at Thateng.

X REACTION TO THE RELEASE OF THE PUEBLO CREW 8

The North Koreans have, as anticipated, given heavy propaganda play to the US "apology" for the Pueblo incident.

Europe

X THE WEEK IN PERSPECTIVE 9

OK CZECHOSLOVAK LEADERS PREOCCUPIED BY CURRENT PROBLEMS 10

The Dubcek leadership is continuing as best it can to prepare for the federalization of Czechoslovakia, scheduled for 1 January. There are signs of dis-sension among top party leaders about the program, and popular apprehension over the country's political difficulties is increasing.

OK MOSCOW PUSHES COMMERCIAL AIRCRAFT SALES 13

Despite some rebuffs, the USSR continues to make a determined effort to gain a share of the expanding world market for commercial aircraft.

IP4

State Department review

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MORI/CDF

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X PORTUGUESE SOCIALISTS URGE LIBERAL REFORMS

14

A manifesto for political reforms issued last week by the Portuguese Socialists was intended to test how far the Caetano government will follow up on the new premier's promise of a more open society.

Middle East - Africa

X THE WEEK IN PERSPECTIVE

15

REBEL RESURGENCE IN EASTERN CONGO

17

Rebel activity in the eastern Congo has increased during the past several months, but the competing rebel groups have not yet acquired the cohesion and initiative necessary to be a real threat to the central government.

PAKISTAN'S ANTI-AYUB FORCES COALESCING

18

Concessions, promises of reform, and restrictions on political activity have failed to stem the tide of opposition to the government, although they have decreased the incidence of violence. Opposition elements apparently are moving toward increased cooperation in their antigovernment actions.

25X1

NIGERIA FIGHTING CONTINUES DESPITE PROCLAIMED TRUCES

19

Federal and Biafran announcements of temporary truces in the civil war have had little effect on the fighting, and are not likely to lead to peace negotiations. Antitax rioting in the Western State is continuing.

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Western Hemisphere

X THE WEEK IN PERSPECTIVE

21

BRAZIL QUIET IN WAKE OF NEW INSTITUTIONAL ACT

22

Most Brazilians are still resigned to last week's authoritarian decrees that have made Brazil a dictatorship without a dictator.

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URUGUAY ON SLOW ROAD TO RECOVERY

24

President Pacheco has acquired more power to guide and control the country's faltering economy, but the problems are complex and real progress will continue to be slow.

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STRAINS IN THE CENTRAL AMERICAN COMMON MARKET

25

For the second time in six months, the seven-year-old Central American Common Market is faced with a troublesome internal dispute.

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